Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Text

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ORIGIN IO-13

INFO OCT-01 EUR-12 ISO-00 INRE-00 SSO-00 NSCE-00 USIE-00
CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05
PA-01 PRS-01 SP-02 SS-15 AID-05 COME-00 EB-07 FRB-03
TRSE-00 XMB-02 OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01
/092 R

DRAFTED BY IO/DHP:DCKURTZER:GAS
APPROVED BY IO:RDMOREY
IO/DHP:HGWING
EUR/SOV:JCOLBERT
EUR/NE:NACHILLES
----------201613Z 116568 /42
O P 201601Z JAN 77
FM SECSTATE WASHDC
TO AMEMBASSY LONDON IMMEDIATE
AMEMBASSY MOSCOW IMMEDIATE
INFO USMISSION USUN NEW YORK PRIORITY

C O N F I D E N T I A L STATE 013697

E.O. 11652: GDS

TAGS: EAID, UNDP

SUBJECT: UNDP: US INITIATIVE ON USE OF ACCUMULATED NON-CONVERTIBLE CURRENCIES

REF: (A) LONDON 748 (NOTAL); (B) MOSCOW 11617 (1976); (C) MOSCOW 13720 (1976)

1. FOR LONDON: DEPARTMENT UNABLE TO PROVIDE INFORMATION REQUESTED (PARA 5, REF A) REGARDING SOVIET EXCHANGE CONTROL LAWS AND THEIR POTENTIAL IMPACT ON US PROPOSAL IN UNDP. DURING APPROACHES TO SOVIETS LAST SUMMER, THIS ISSUE WAS NEVER FULLY ANSWERED. IN AN EARLY
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REACTION, A SOVIET OFFICIAL (PARA 4(B), REF B) CONTENDED THAT THE US PROPOSAL WOULD VIOLATE A NUMBER OF ESTABLISHED INTERNAL SOVIET LAWS AND REGULATIONS ON USE OF SOVIET CURRENCY; BUT HE DID NOT ELABORATE ON THOSE LAWS. IN LATER APPROACH (PARAS 2 AND 4, REF C), SOVIET DID NOT RESPOND TO US STATEMENT THAT PROPOSAL DID NOT VIOLATE SOVIET LAW.

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2. WE SPECULATE THAT THE LEGALISTIC ARGUMENT IS A COVER FOR UNDERLYING REASONS FOR SOVIET OPPOSITION: NAMELY, SOVIET SHORTAGE OF HARD CURRENCY, WHICH WOULD BE WORSENED IF THE PROPOSAL WERE IMPLEMENTED; AND POTENTIAL

POLITICAL EMBARRASSMENT OF ADMITTING THAT SOVIET CURRENCY WAS NOT USABLE IN UNDP.

3. FOR MOSCOW: REQUEST EMBASSY COMMENT ON SOVIET CURRENCY AND EXCHANGE LAWS WHICH THE US PROPOSAL WOULD VIOLATE?

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, LAW, FOREIGN EXCHANGE CONTROLS, SOFT MONEY, DEVELOPMENT PROGRAMS
Control Number: n/a
Copy: SINGLE
Sent Date: 20-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE013697
Document Source: CORE
Document Unique ID: 00
Drafter: DCKURTZER:GAS
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Review Release Event: n/a
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SAS ID: 3545224
Secure: OPEN
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Type: TE
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